



July 24, 2018

Ms. Susan Badtke  
Mr. Michael Zimmerman  
City of Fitchburg  
5520 Lacy Road  
Fitchburg, WI 53711

Ms. Badtke and Mr. Zimmerman:

Please accept this letter from BSH Companies (BSH) as our request to begin the rezoning process for the 4.66 acre parcel of land located at 5237 Verona Road in the City of Fitchburg (PIN 0609-064-8160-5). We seek to change the zoning from its current Business Highway (B-H) designation through your Planned Development District (PDD) zoning amendment process. Below, please find our reasons for needing this zoning change, benefits attendant with this change and an overview of our plans for this project.

**Development and Design Overview**

BSH Companies proposed development would be a 3 story, indoor, elevator-served self-storage facility. Fully heated and cooled, this type of structure represents the new manner in which growing communities storage needs are met. We are proposing a 114,000SF multi-story structure that would use the minimum amount of ground area possible by building “up, rather than out”. As a multi-story structure, our facility uses minimal ground acreage, vs. the amount of land area needed for single-story storage buildings.

BSH Companies storage facility will be managed and operated in a manner similar to a retail store, with on-site property managers staffing the building during normal business hours, and electronic key card access controls during all hours tightly controlling access into and out of the building at all times. Digital video surveillance cameras throughout the property add another layer of security and provide customers with security for their property, as well as themselves, while on site.

If feasible within the realities presented by the site’s topography and environmental brownfield development limitations and limited access to public street frontage on the north side of the parcel, BSH Companies will also develop a single story “flex” office building targeted for lease to small, newer businesses needing space and wanting to locate in the City of Fitchburg.

### **Rationale for Zoning Change Request**

Current Fitchburg zoning code does not allow for the development of self-storage facilities within the City. After several meetings and discussions between BSH and the City of Fitchburg, city staff suggested the PDD amendment process as the best vehicle to modify the zoning to allow for this use, while maintaining appropriate future City control over permitting of any future self-storage projects within the City of Fitchburg's boundaries.

Rezoning to PDD will allow the design of BSH Companies' proposed development to be well integrated into existing uses along the east side of Verona Road. At the same time, the rezone and subsequent redevelopment provide an excellent opportunity to upgrade the aesthetic design and architectural feel along this corridor, similar to that achieved by the new Benjamin-owned office building at the corner of McKee and Verona Roads. PDD zoning will allow for the code flexibility and rigor necessary to enable a new self-storage project, while ensuring that the appropriate controls and restrictions govern the design, materials and siting of the building on this land parcel.

### **Environmental Benefits - Brownfields Redevelopment**

Prior use as a dry-cleaning location has left the Site with considerable legacy environmental clean up needs, and the site will have go-forward ongoing development restrictions from the Wisconsin DNR that significantly limit, if not prevent, the use of this site for certain future uses. Continued attenuation of vaporous industrial solvents, geomembrane water filtration controls over the eastern portion of the site and restrictions on future disturbance of the soils on the site limit and constrain the development feasibility for this parcel.

Self-storage is a highly compatible use in this instance, as it does not involve ongoing human occupancy for the work day/overnight and provides a means to develop the parcel in a realistic and attainable manner. This use offers an opportunity to increase property tax receipts from this parcel by 3X-4X (forecast) vs. their current level. BSH's development plan allows this brownfield location to be returned to a productive use offering a service in high demand in the Madison area. The parcel is already served by utilities, located in the City's growth corridor and provides an excellent opportunity to provide a needed service without further loss of rural/city edge acreage.

### **Community Benefit – Providing a Needed Service**

After the economic downturn of 2008-2010, a high percentage of Fitchburg's, and the Greater Madison area's, housing growth has come through multi-family starts and construction. At an average square footage of 940-1020SF/unit, modern suburban and urban apartments offer little to no storage space for residents. As such, approximately 20-25% of tenants in these living environments (per industry research) rent off-site storage.

BSH's development plan will provide City residents with a needed service in a safe, secure, professionally-managed environment. In fast-growing cities, such as Austin, Columbus, Denver, Dallas, Atlanta, and Minneapolis, with large populations of young, millennial residents, conditioned self-storage developments are growing in correlation to the boom in apartment and other multi-family construction. Fitchburg/Verona/South Madison has experienced similar growth, and will into the foreseeable future, and there is very strong demand for this type of product among area residents.

### Consistency with Comprehensive Plan

BSH's intended use is in line with other area uses, and with uses permitted under the Business Highway zone designation found in the neighborhood around the parcel.

### Traffic

The development will generate minimal trip volumes relative to other business uses, and much of the visits generated will occur during off hours and are not generally correlated to peak commute times. Highest usage of self-storage occurs on weekends, when traffic volumes on city streets are typically at their lowest levels. BSH's plan will use existing access along private road bordering the north side of the site and will require only one additional access point on Verona Frontage Road, near the southeast corner of the parcel.

### Development Schedule & Timeframe

BSH has the subject parcel under binding contract and has met with the parcel's owners. The current owner hopes to receive final Wisconsin DNR closure of its environmental remediation efforts in August 2018. BSH Companies' environmental consultant, Vieau & Associates, and engineering consultant, MSA Engineering Consultants, will coordinate site design with the Wisconsin DNR during the Fall of 2018. Following preliminary approval of site design, we will work with City of Fitchburg staff, our architect, Kaufman Design Group to complete our building design specifics.

Upon receipt of appropriate approvals this Fall/Winter, BSH will begin construction on the self-storage project in early 2019.

We look forward to working with City staff and our design team to deliver a quality building benefitting the City of Fitchburg and its residents for years to come.

Best regards,

A handwritten signature in black ink, appearing to read "Win Stewart", with a stylized flourish at the end.

Win Stewart  
Manager  
BSH Companies

# 5237 Verona Road

## REDEVELOPMENT PLAN



**BSH** COMPANIES

# BSH Companies Proposed Redevelopment Plan

BSH Companies (BSH) first met with City of Fitchburg officials in late 2017 to discuss developable land parcels located within the City's boundaries. On May 2, 2018, BSH reached an agreement with the site's current owners on purchase and sale terms for the land.

BSH proposes to redevelop the site, return the property to active use, and significantly increase tax revenue generation by creating a multi-phase development. First and foremost, BSH recognizes that any redevelopment plans must be discussed with the Wisconsin DNR, and proper brownfield measures are followed during site design. Development of the site will need to be carefully planned in order to avoid disturbing the fabric geomembrane covering the underground VOC contamination.

On the western half of the parcel, BSH will develop 114,000 SF in two multi-story, indoor conditioned, self-storage buildings. The first phase will be oriented toward, and visible from, the newly-reconfigured Verona Road.

On the eastern half of the parcel, BSH proposes a separate structure of approximately 20,000SF to house a flex/office building dedicated to offering space for smaller, new businesses. BSH will address access, impervious surface ratios, and parcel size requirements with City staff and MSA Engineering (BSH Companies' survey and design consultant.)

**Exterior and Interior finishes will be comparable to the pictures below.**



## Self-Storage Operations and Property Management

Modern storage properties control tenant access, payment and operations in the same manner that a commercial landlord with office, apartment or retail properties does. Full-time staff are present on property during hours of operation; multiple digital security cameras cover the property; key fob or numeric keypad access control limits entry into the property and tracks exits to ensure all customers have left at the end of day. Office staff sell a variety of moving supplies, including boxes, tape, moving blankets, packing materials and other supplies, eliminating the need for customers to make multiple trips to different stores to prepare for their moving needs.

Extra Space Storage, CubeSmart, Argus Self Storage, Life Storage and other large third-party property management firms provide owners with a range of experience managing hundreds of properties across the country. Extra Space, CubeSmart and Life Storage are all publicly-traded companies listed on the New York Stock Exchange. Collectively, they own and/or manage 2,000+ separate facilities across the country.

## Tax Benefits of Redevelopment

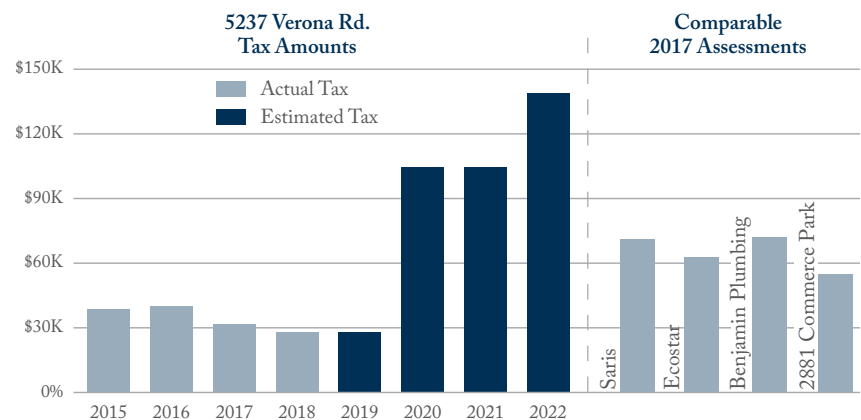
### Benefits to City of Fitchburg

BSH Companies' redevelopment plan will significantly increase the tax base for 5237 Verona Road. Its estimates of future values is outlined below.

	ASSESSED VALUE	TAX AMOUNT
2015 Nedrebo's	\$1,645,000.00	\$37,821.11
2016 Nedrebo's	\$1,645,000.00	\$38,922.74
2017 Nedrebo's	\$1,300,000.00	\$30,623.89
2018 Vacant	\$1,150,000.00	\$27,090.36
2019 Vacant	\$1,150,000.00	\$27,090.36
<b>2020 Phase 1</b>	<b>\$4,500,000.00</b>	<b>\$103,462.00</b>
<b>2021 Phase 1</b>	<b>\$4,500,000.00</b>	<b>\$103,462.00</b>
<b>2022 Phase 1 &amp; 2</b>	<b>\$6,000,000.00</b>	<b>\$137,949.34</b>

### Comparable 2017 Assessments

Saris	\$2,976,600.00	\$70,032.44
Ecostar	\$2,641,900.00	\$62,147.96
Benjamin Plumbing	\$3,010,000.00	\$70,819.25
2881 Commerce Park	\$2,300,000.00	\$54,093.88



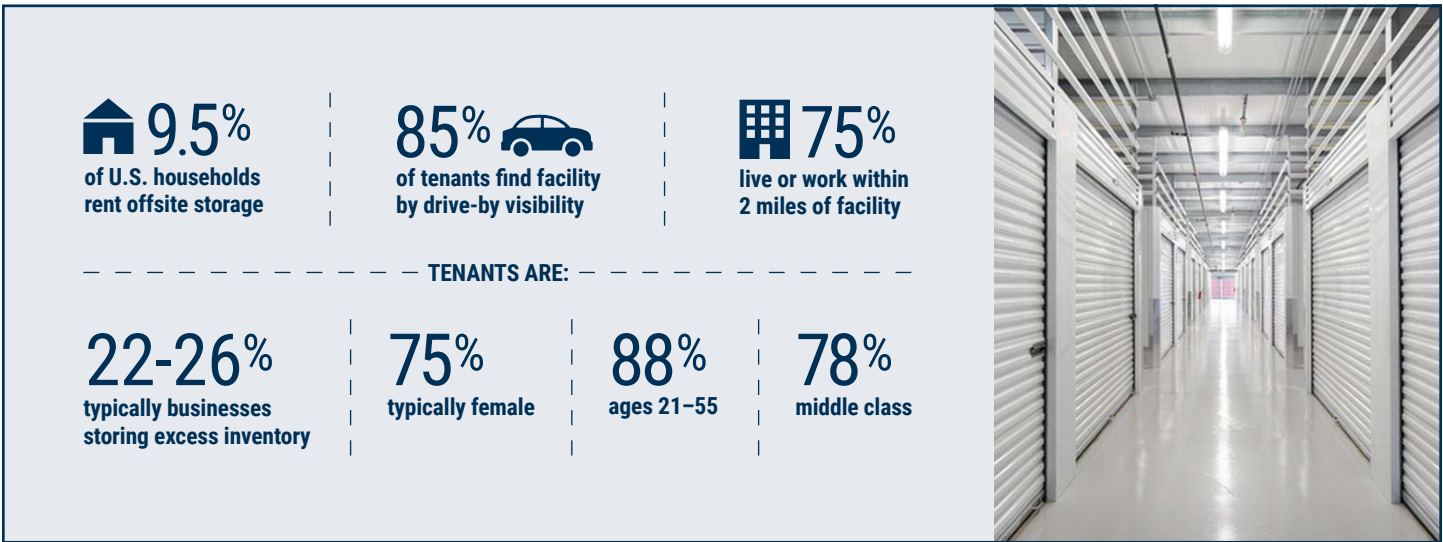
# What is the Customer Profile for Indoor Conditioned Storage?

As millennials, empty-nesters and other age groups are increasingly moving back into, or near, urban city centers and suburban lifestyle centers, single-story, drive-up, unconditioned self-storage of the 1970s and 1980s is increasingly out of date with customer preferences. Both the typical locations of these aging facilities and their inherent design and layout limitations serve to put these facilities at odds with the demographic profile of many storage users.

Millennial customers present a rapidly growing customer segment demanding newer, higher quality storage options. After the 2008 economic crisis, developers focused on providing efficiently designed apartments, townhouses and single-family homes. Communities like Fitchburg *have the highest and most acute need for additional storage capacity* due to the small square footage of modern housing and lack of built-in storage. In cities across the country, professionally managed, modern storage is a necessity to offset the ever-shrinking square footage of the new generation of apartment layouts. Millennials are also more likely to have roommates, further exacerbating the shortage of storage and closet space available to a tenant in next generation in-fill and suburban apartments.

Typical conditioned self-storage customers fall into the following categories:\*

- 88% are between 21 and 55 years of age;
- 75% of customers are typically female;
- 9.5% of U.S. households rent some type of offsite storage unit;
- 22-26% of tenants are typically businesses storing excess inventory, records or products
- 78% have incomes qualifying as lower middle to upper middle incomes as defined by US Census;
- 75% live or work within 2 miles of the physical location of their storage facility;
- 85% of tenants come from physical drive by of the facility – visibility is a key driver.



\*Source: "Who Are Our Customers?" by Parham Group, October 2015

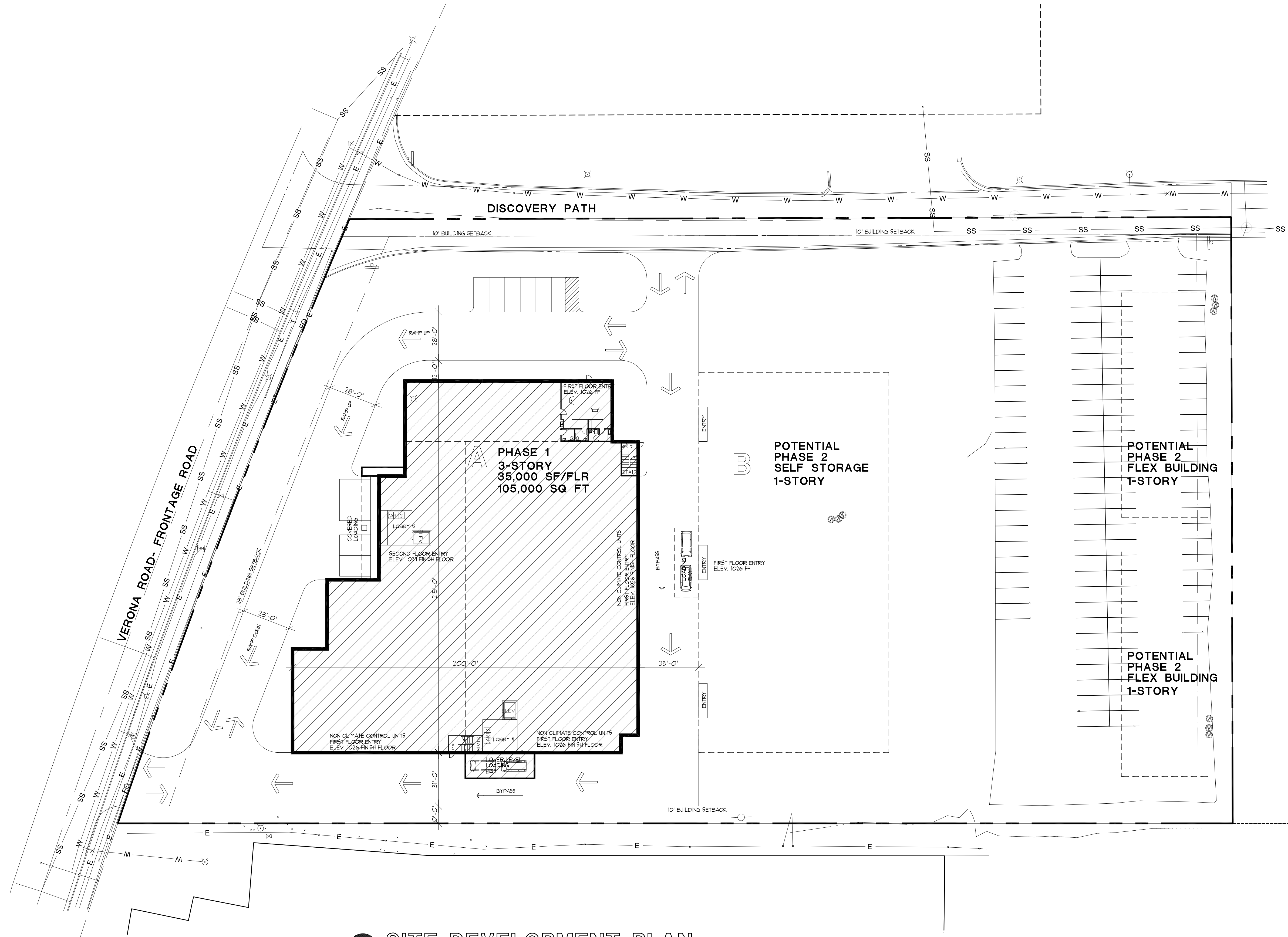
# Current Site Status

5237 Verona Road, previously the home of Nedrebo's Formal Wear, is a 4.5 acre site located on the east side of Verona Road, south of the Williamsburg Way interchange. Due to the presence of solvents and other chemicals released during the site's 20+ years as the site of an active dry-cleaning operation, the site is designated with a Recognized Environmental Condition as classified by the Wisconsin Department of Natural Resources (DNR).

Braun Intertec (BI) was hired by the site's owner to determine the extent and nature of the contamination and create a Remediation Action Plan for DNR. In late 2016, the existing building and asphalt parking lot were demolished and removed. Testing was done by BI to determine the nature and extent of contamination on the site. Subsequent to these tests, excavation to a depth of 27 feet was completed to remove certain contaminated soils. BI filed with DNR on behalf of the site's current owners on March 16, 2018 for final closure. DNR has requested, and Braun Intertec has completed, additional testing via two offsite wells and two onsite soil samples. According to the current owner and BI, they hope to receive their DNR closure letter within the next 45-60 days.

A detailed map of previous structure (since demolished) soil borings and excavation is below:





 **SITE DEVELOPMENT PLAN**  
scale 1" = 30.0'

ISSUE	DATE
OWNER REVIEW	7/13/2018
REVISED	7/24/2018

**BSH SELF STORAGE**  
5237 VERONA ROAD  
FITCHBURG, WISCONSIN 53711

**Kaufman Design Group**

ARCHITECTURE

12371 E. LINCOLN CT.  
WICHITA, KS 67207  
(316) 618-0448  
(316) 618-0048 fax  
skaufman@cox.net

SHEET TITLE

SHEET NUMBER

**SA1**

OF SHEETS



**Rae Austin**

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**Subject:** FW: can you pls print/sign and PDF this back to me? just left you a voice mail explaining need for this with City planning process

**TO:** City of Fitchburg, Planning and Zoning Department  
5520 Lacy Road  
Fitchburg, WI 53711

**RE:** 5237 Verona Road  
Fitchburg, WI  
Property ID # 0609-064-8160-5

As the owner of the above described real property, I hereby authorize BSH Companies LLC to act as an agent for the purpose of holding initial discussions regarding the future use of the above mentioned land parcel.

I hereby acknowledge that BSH Companies may hold discussions with the City of Fitchburg and other regarding creating, filing and managing land use entitlements necessary to construct, operate or otherwise gain zoning and development approvals with the City of Fitchburg upon the above mentioned parcel of land.

I acknowledge that any application may be denied, modified or approved and will be subject to additional discussions and permissions.

**By:**

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**For:** NFW Enterprises, Inc. f/k/a NFW Acquisition Corp.

**Its:**

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**Rob O'Loughlin**  
*President*

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